

May 16, 1975

days after the session adjourned to retroactively set rates to January 1, 1975. It also had a part of its provisions, the striking of the amendment which we adopted yesterday to set the rate for the income tax for this year to 12. Those of you who supported that that the reason the 12 rate was established is that it provided all the revenue that was needed for the calendar year 1975 and that by going from 10 to 12 we were then providing the necessary revenue to provide the funding for the expressed obligations for the money that was appropriated for Capital Construction, the additional 15 million of state aid that was necessary because of the absence of additional federal revenue sharing funds and for the additional revenue that was needed for the personal property tax exemption which is added on to this years result of the legislation of two years ago. I don't...it would seem to me that it is probably the best policy to retain what we had. It has worked well. The only changes that we have... have not been because of the system but because of other circumstances. One of which the income tax was lowered because inflation had generated more revenue and another instance it was adjusted as permitted by the present law because the Internal Revenue Service had adjusted its procedures and this year we are looking to the necessity of an adjustment because of expressed obligations were not considered. I think that the suggestion that Senator Burbach had would be appropriate in Legislation that in some given year a massive expenditure new program was made by this Legislature and it was necessary to retroactively increase rates to cover the money for that new appropriation. But that is not the situation at this time and if that occasion did arise, then obviously provisions similar to what Senator Burbach has proposed could be included. As I understood Senator Burbach's remarks he pointed to the difficulty of which I concur of this body attempting to set rates on the floor. It normally is a mathematical question and not one which can be resolved readily by political rhetoric. This Legislature has the responsibility to develop the formula that is used for establishing the rates, but I think that it is with great difficulty that we attempt to actually set the rate. Again, I repeat that for this year, for this year, we are not doing that. We are merely correcting the fact that those expressed obligations which I have already mentioned were not included in the information provided for the state board of equalization last November. With that, Mr. President, I would move the adoption of the amendment.

PRESIDENT: Senator Warner, we would like your permission and your indulgence to interrupt the debate on this matter so that the Clerk can proceed with all of the paper work. We will recommence Mr. Clerk.

CLERK: The rest of them are the E & R reports. They have no amendments, if that is OK. The next one is 380 and there are amendments.

SENATOR DWORAK: Mr. President, I move the adoption of the E & R amendments to LB380.